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April 10, 2006      LB 1039  
                         LR 259

gambling in lottery ads. The committee amendment is a reasonable compromise that makes LB 1039 work for both the lottery and the problem gambling community. I've agreed to this compromise because I think it shows a lot of understanding and a movement in the positions of those on both sides of the issue. With this compromise the lottery is free to continue to grow ticket sales through their advertising. They've agreed to include gambling prevention, education, and awareness messages as part of their advertising budget. When combined with the funding increase contained in LR 259CA, LB 1039 will ensure that the right people get the right messages to the right people that need to hear them. Please advance LB 1039 to Select File. Thank you.

SENATOR CUDABACK: Thank you, Senator McDonald. As stated, there are committee amendments. Senator Janssen, Chairman of the committee, you're recognized to open.

SENATOR JANSSEN: Thank you, Senator Cudaback, members of the Legislature. The committee adopted this amendment that was presented to the committee at the hearing, and it represents a compromise between Senator McDonald and interested parties. AM2309 would strike the original Sections 2 and 3. Section 2 would have redefined expenses for the purpose of the State Lottery Act, something that the committee did not think was necessary. Section 3 would have required that no more than 3.5 percent of the lottery ticket sale revenue for the fiscal year be spent on lottery advertising, promotions, incentives, public relations, and marketing. The committee amendment eliminated the cap. Next, on page 5 of the bill the original language would have required that at least 10 percent of the lottery's advertising budget be used for advertising on problem gambling prevention, education, and awareness. The compromise agreement presented at the committee hearing reduced the percentage amount from 10 to 5 percent of the advertising budget that the lottery must spend on problem gambling prevention, education, and awareness messages. General Affairs Committee completed an interim study on lottery advertising, and I think now we have a more clear idea how the lottery proceeds are spent. The state lottery currently has an advertising budget of 3 percent of sales and a promotion budget of 1 percent of sales.